

# Santa Monica Moratorium on Commercial Evictions due to COVID-19: FAQ

Landlords: Negotiate with tenants in good faith, making all reasonable attempts to keep current tenants in place to avoid long-term vacancies and help stabilize the community through recovery.

Tenants: Provide landlords with as much advance notice as possible if complete rent payments will not be feasible and proactively attempt to negotiate a payment plan; stay informed about state, federal, and local resources for financial assistance.

#### How long will Santa Monica's moratorium on commercial evictions last?

The moratorium went into effect on March 18, 2020 and is currently in effect until April 30, 2020, unless extended.

# What businesses does the moratorium apply to?

Any commercial tenant in Santa Monica that cannot pay rent due to financial impacts related to COVID-19. Financial impacts include:

- (1) lost business income as a result of the commercial tenant or its employees being sick with COVID-19 or caring for a household or family member who is sick with COVID-19;
- (2) lost business income as a result of reduction in hours or closure of operation, increase in costs and labor, delays or interruptions or any other economic impacts of COVID-19;
- (3) lost business income due to compliance with a recommendation from a government health authority to stay home, self-quarantine, or avoid congregating with others during the state of emergency.

# What actions must a business take to prevent eviction if it is unable to pay rent due to COVID-19?

It is recommended that a business first reach out to its landlord to negotiate a payment plan that works for both parties through the COVID-19 crisis.

To receive protection under the commercial eviction moratorium, a business must notify its landlord in writing within 30 days after rent is due of its inability to pay full rent due to lost business income related to COVID-19 and provide documentation of financial impacts to

support this claim. Communication through email or text counts as "in writing" if those are already established methods of communication between the business and the landlord.

\*Please see the attached "Request for Protection Under Commercial Eviction Moratorium" sample document for more information on how to reach out to your landlord.

#### Will the business be liable for any unpaid rent in the future?

Yes. If a landlord requires missed rent to be paid back, the tenant must pay within six (6) months after the expiration of the local emergency (currently April 30, 2020). The landlord may not charge late fees for this delayed rent.

# Are City fees being waived/adjusted?

Late fees for City utility payments and parking citations have been suspended.

# Will there be any financial support for landlords?

The City is closely monitoring federal and state legislation and is tracking and advocating for resources for the Santa Monica community, including property owners.

# How can a business contact the City with additional questions?

Call the City's COVID-19 hotline at 310.458.8400 or email info@santamonica.gov.

#### What other resources are supporting businesses through this time?

For help finding a lawyer, contact the Attorney Referral Service of the Los Angeles County Bar Association at 213-243-1525 or 866-762-7852 or via their website, <a href="https://www.smartlaw.org">www.smartlaw.org</a>.

<u>The California Employment Development Department</u> manages support services for employers and employees who are facing loss of hours or jobs, including the Unemployment Insurance Work Sharing Program, Disability Insurance, Paid Family Leave, and tax assistance.

The U.S. Small Business Administration (SBA) provides low-interest <u>Economic Injury Disaster Loans</u>, which can be applied for immediately. The Federal Government is currently working on a bill that will expand the offerings under this program.

Call the <u>Los Angeles Regional Small Business Development Center</u> (LA SBDC) at (562) 938-5020 or 866-588-SBDC (toll free) for free assistance with loan applications and questions regarding supply chain disruption and liability, technology plans for setting up remote work stations for employees, concerns about cash flow during disruption, and concerns about credit and finance issues.



#### Request for Protection under Commercial Eviction Moratorium: Sample Format

To request protection under Santa Monica's commercial eviction moratorium, a tenant is required to provide the landlord with the following:

(1) A "notice" to the landlord indicating they are unable to pay rent due to loss of or reduction in business income due to COVID-19. An example of such "notice" is as follows:

My name is [name] representing [business name], which is a tenant at your property located at [address] in the City of Santa Monica. I intend to seek protection against eviction for nonpayment of rent under the Santa Monica eviction moratorium. I am unable to pay rent [or part of rent] due to lost business income and financial impacts related to COVID-19. Attached are documents that support my claim.

(2) Documents supporting the tenant's claim of inability to pay rent. The tenant should complete, sign, and attach documents to a "Documents in Support of Protection under Eviction Moratorium" form. See form on next page for suggested document submission form.



# **Documents in Support of Protection under Eviction Moratorium**

Business Name	First Name	La	st Name
Street Address	City	State	Zip Code
COVID-19 IMPACT: My busine COVID-19 due to the following		tantially impac	cted by
<ul><li>with COVID-19 or caring</li><li>lost business income as of</li></ul>	a result of the commercic for a household or family a result of reduction in ho as or interruptions or any c	member who	o is sick with COVID-19; of operation, increase
<ul> <li>lost business income due</li> </ul>	e to compliance with a re nome, self-quarantine, or		
DOCUMENTATION: I am provide and inability to pay full rent do that apply):	-		•
<ul> <li>Monthly historic sales figure</li> <li>Bank statements showing</li> <li>Monthly profit and loss st</li> <li>Other proof of loss of inc</li> </ul>	g financial situation befor atement	e and after th	e COVID-19 outbreak
Documentation for items selec	cted above is attached.		
Tenant Signature	Date		